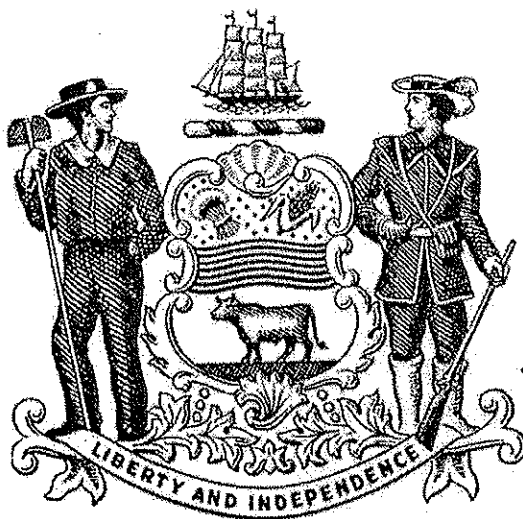

CONTRACT



STATE OF DELAWARE
DEPARTMENT OF **SAFETY AND HOMELAND SECURITY**
P.O. Box 818
DOVER, DELAWARE 19903

CONTRACT NUMBER SHS-11-018-ElecGunDev
Title: Electronic Acoustic Gun Shot Detection Device

THIS AGREEMENT, made and executed in triplicate, shall be effective this 9th day of, January 2012.

BY AND BETWEEN Safety Dynamics, Inc.

(hereinafter designated as "Contractor"), party of the first part, and the Department of Safety and Homeland Security, created under the laws of the State of Delaware (hereinafter designated as Department of Safety and Homeland Security), party of the second part.

WITNESSETH that the "Contractor" in consideration of the covenants and agreements herein contained and made by Department of Safety and Homeland Security, agrees with said Department of Safety and Homeland Security as follows:

ARTICLE ONE: The "Contractor" shall provide and furnish all supplies, materiel, machinery, implements, appliances, and tools and perform the work and labor required to complete the contract requirements. The work, as set forth in the proposal, and specifications is identified by the signature of the "Contractor" and the Director of the said Department of Safety and Homeland Security and become hereby a part of this contract.

ARTICLE TWO: It is understood and agreed by and between the parties hereto that all items and/or work included in this contract is to be done under the direction of the said Director and that the Director decision as to the meaning of the said proposal, and specifications shall be final.

It is understood and agreed by and between the parties hereto that such additional specifications as may be necessary to illustrate the items to be furnished or work to be done are to be submitted by said Contractor and they agree to conform to and abide by the same so far as it may be consistent with the purpose and intent of the original proposal, and specification referred to in Article One.

ARTICLE THREE: If the work to be done under this contract shall be abandoned, or if the contract, or any part thereof shall be sublet without the previous written consent of Department of Safety and Homeland Security, or if the contract shall be assigned by the "Contractor" otherwise than as herein specified, or if at any time the Director shall be of the opinion and shall certify in writing to Department of Safety and Homeland Security that the work, or any part thereof, is unnecessarily or unreasonably delayed or that the "Contractor" has violated any provision of this contract or that the "Contractor" fails to provide all supplies, materiel, machinery, implements, appliances and tools or fails to perform the work and labor as set forth in the proposal and specifications, in whole or in part, Department of Safety and Homeland Security may notify the "Contractor" to discontinue all work or any part thereof; and thereupon the "Contractor" shall discontinue such work or such part thereof as

Department of Safety and Homeland Security may designate and Department of Safety and Homeland Security may thereupon, by a contract or otherwise, as it may determine, complete the work, or such part thereof, and charge the entire expense of so completing the work or part thereof, to the "Contractor".

All costs and charges that may be incurred under this article or any damages that should be borne by the "Contractor" shall be withheld or deducted from any moneys then due, or to become due to the "Contractor" under this contract, or any part thereof; and in such accounting Department of Safety and Homeland Security shall not be held to obtain the lowest cost for the work or completing the contract or any part thereof, but all sums actually paid therefore shall be charged to the "Contractor". In case the costs and charges incurred are less than the sum which would have been payable under the contract if the same had been completed by the "Contractor", the "Contractor" shall be entitled to receive the difference and in case such costs and charges shall exceed the said sum, the "Contractor" shall pay the amount of excess to Department of Safety and Homeland Security for the completion of the work.

ARTICLE FOUR: It is further mutually agreed between the parties hereto that no payment made under this contract shall be conclusive evidence of the performance of this contract either wholly or in part and that no payment shall be construed to be an acceptance of defective work.

IN WITNESS WHEREOF: the said parties to these presents have duly executed this agreement in triplicate the day and year written below:

**SIGNED, SEALED AND DELIVERED IN
IN THE PRESENCE OF**

Safety Dynamics, Inc.
Name of Contractor

By: _____
Witness **Title:** President

DEPARTMENT OF SAFETY AND HOMELAND SECURITY

ATTEST:

Secretary

SEAL

STEPHANIE YOUNG
Notary Public, State of Delaware
My Commission Expires Upon Office

Lewis Schiliro

Addendum # 1 to Contract # SHS-11-018-ElecGunDev
Electronic Acoustic Gun Shot Detection Device

On January 9, 2012 the above contract was amended to select option 2 from the vendor's proposal, which includes:

- a. 18 SENTRI Software, SENTRI Microphone Arrays, Circuit Card (Customer to provide power at install location, network connection)
- b. Camera to meet specifications set forth in Section 6
- c. Enclosure with Strobe Light
- d. AC and DC Power Supply
- e. User Documentation and installation guide.
- f. Installation (Customer to provide Bucket Truck, Ammunition and Weapons for Camera Calibration, Police Security if needed)
- g. Five Days of Training
- h. One Year Extended Maintenance Agreement includes monthly remote system health checks and one physical health check if needed
- i. One Year Extended Warranty Parts & Labor

Payment will be as follows:

- 50% of total cost paid upon placing the initial order of the SENTRI System
- 25% of total cost paid at time of shipping
- 25% of total cost upon final installation and successful operation of the SENTRI System

IN WITNESS WHEREOF, the said parties to these presents have duly executed this agreement in triplicate the day and year first above written.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF

Corporate Seal

Witness

Safety Dynamics, Inc.
Name of Contractor

By: _____

Title: _____

President

DEPARTMENT OF SAFETY AND HOMELAND SECURITY

ATTEST:

Secretary

SEAL

STEPHANIE YOUNG
Notary Public, State of Delaware
My Commission Expires Upon Office

Lewis Schiliro